

SUPPLEMENTAL DIRECT TESTIMONY OF  
KERSTAN J. WONG

PROJECT MANAGER  
PROJECT MANAGEMENT DIVISION  
ENERGY DELIVERY PROCESS AREA  
HAWAIIAN ELECTRIC COMPANY, INC.

Subject: Schedule Impacts

INTRODUCTION

Q. Please state your name and business address.

A. My name is Kerstan J. Wong and my business address is 820 Ward Avenue,  
Honolulu, Hawaii.

Q. Have you previously submitted testimony in this proceeding?

A. Yes. I submitted written direct testimony and exhibits as HECO T-2 and  
HECO T-6.

Q. What is the scope of your supplemental direct testimony?

A. My supplemental direct testimony will describe the schedule impacts of the  
Schedule of Proceedings approved in Order No. 20968 issued May 10, 2004 in  
this Docket No. 03-0417.

Q. Please describe the Schedule of Proceedings approved in Order No. 20968.

A. The procedural steps and filing dates for Docket No. 03-0417 include:

- |  |  |
|--|--|
| 1) HECO Supplemental Written Direct Testimonies<br>and Exhibits      | July 22, 2004  |
| 2) Other Parties' Information Requests to HECO                       | August 25, 2004  |
| 3) HECO Responses to Information Requests                            | October 6, 2004  |
| 4) Public Hearing  | September 1, 2004  |
| 5) Other Parties' Supplemental Information Requests<br>to HECO       | November 8, 2004   |
| 6) HECO Responses to<br>Supplemental Information Requests            | December 15, 2004  |
| 7) Written Testimonies, Exhibits, and Workpapers<br>of Other Parties | 4 weeks after<br>completion of the<br>Environmental<br>Review ("ER")<br>process but not before<br>January 15, 2005 |
| 8) HECO Information Requests to Other Parties                        | 3 weeks after Step #7  |

- 1 9) Other Parties' Responses to Information Requests 3 weeks after Step #8
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- 4 10) HECO Written Rebuttal Testimonies, Exhibits, and
- 5 Workpapers 4 weeks after Step #9
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- 7 11) Other Parties' Rebuttal Information Requests
- 8 to HECO 3 weeks after Step #10
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- 10 12) HECO's Responses to Other Parties'
- 11 Rebuttal Information Requests 3 weeks after Step #11
- 12
- 13 13) Evidentiary Hearing To be set by the
- 14 Commission
- 15
- 16 14) Simultaneous Opening Briefs by Parties and
- 17 Written Statement of Position of Participants 3 weeks after
- 18 transcripts
- 19 15) Simultaneous Reply Briefs by Parties
- 20 Opening Briefs 3 weeks after

21 The time intervals for steps 7 through 15 are approximate. When the ER  
22 process is deemed complete, specific dates would be determined by the parties  
23 and submitted to the Commission for approval.

24 Q. Who are the "Other Parties?"

25 A. The "Other Parties" are the Division of Consumer Advocacy, Life of the Land,  
26 and Public Officials, which include Senator Carol Fukunaga, Representative Scott  
27 Saiki, and Councilperson Ann Kobayashi.

28 Q. What prior procedural steps have been completed?

29 A. Following the filing of HECO's application, exhibits (including voluminous  
30 supporting studies) and direct testimonies on December 18, 2003, a number of  
31 motions to intervene and participate were filed in January 2004. After the filing  
32 of HECO's responses and hearings on two of the motions, the Commission issued  
33 Order Nos. 20860, 20861 and 20862 on March 23, 2004, which granted or denied  
34 the motions, and established the parties (in addition to HECO and the Consumer  
35 Advocate) and participants.

1 Pursuant to the Commission's direction, the parties and participants  
2 submitted a Stipulated Prehearing Order on April 23, 2004, which the  
3 Commission approved (with a modification setting a public hearing date) by  
4 Order No. 20968, issued May 10, 2004.

5 Q. What are the reasons for the extended schedule in this proceeding?

6 A. There are several factors that affected the stipulated schedule, including the time  
7 required to determine the parties and participants, and the desire of certain parties  
8 to be able to have available information, to be developed as a result of the  
9 Commission's distributed generation ("DG") investigation (Docket No. 03-0371)  
10 and HECO's voluntary Environmental Assessment ("EA") process, before filing  
11 their testimonies. The schedule for the DG docket, which was set by Prehearing  
12 Order No. 20922, issued April 23, 2004, contemplates that hearings will not take  
13 place until after December 8, 2004. Thus, the filing of testimonies by the other  
14 parties in this proceeding has been targeted for not sooner than January 2005.

15 Q. What is the ER process?

16 A. HECO has requested that the Commission be the accepting agency for a voluntary  
17 Environmental Assessment ("EA") for the project prepared by HECO in  
18 accordance with the Hawaii Revised Statutes Chapter 343 process. An  
19 Environmental Impact Statement ("EIS") would be prepared if the Commission  
20 finds that the proposed action will have a significant effect on the environment.  
21 The ER process shall be deemed complete when the Commission reviews the EA  
22 and determines that an EIS is not required, or if an EIS is required, when the Final  
23 EIS is accepted.

24 Q. Has the Commission agreed to be the accepting agency?

25 A. Yes. As is stated in Order No. 20968 (page 6):

1                   “The commission shall act as the accepting authority under HAR § 11-200-  
2                   4(b) for the voluntarily prepared EA, without deciding that the proposed project  
3                   requires an EA under Chapter 343. Provided, however, that if it is determined that  
4                   another agency or agencies also have jurisdiction over the proposed project,  
5                   responsibility for such compliance shall be determined under HAR § 11-200-  
6                   4(b).”

7           Q.    When is the ER process scheduled for completion?

8           A.    The ER process will be completed when the EA process is completed, if the  
9                   Commission makes a “Finding of No Significant Impact” on the EA. The  
10                  attached schedule, HECO-ST-601, assumes that the EA process is completed at  
11                  the beginning of 2005.

12          Q.    What is the estimated timeframe for the completion of this proceeding?

13          A.    The estimated timeframe for the completion of the proceeding is the 3<sup>rd</sup> or 4<sup>th</sup>  
14                  quarter of 2005.

15          Q.    How does this estimated timeframe for completion of the proceeding affect the  
16                  overall 46kV Phased Project schedule?

17          A.    As shown in exhibit HECO-ST-601, the estimated completion date for Phase 1 is  
18                  approximately mid-2007 and for Phase 2 is approximately early 2009.

19          Q.    How does the schedule in HECO-ST-601 compare to the schedule submitted in  
20                  the Application, filed December 18, 2003, as Exhibit 3?

21          A.    As shown in Exhibit 3 of the Application, the estimated completion date for Phase  
22                  1 is at the end of 2006 and for Phase 2 it is late 2008. Therefore, the schedule  
23                  shown in HECO-ST-601 has both Phases 1 and 2 being completed approximately  
24                  six months later than assumed in the Application.

25          Q.    What are the potential consequences of extending the completion dates of Phases

1 1 and 2 in regards to addressing the Pukele Reliability Concern described in the  
2 Application and Ms. Ishikawa's testimony, HECO T-4?

3 A. The Pukele Reliability Concern, as described in the Application and  
4 Ms. Ishikawa's testimony, HECO T-4, which has been an ongoing concern, was  
5 heightened on the morning of March 3, 2004 when the Pukele Substation was lost.  
6 A report on the investigation and outage cause was filed with the Commission on  
7 May 11, 2004. Any delay in the implementation of Phases 1 and 2 increases the  
8 risk of an outage at the Pukele Substation. The implementation timing of Phase 1  
9 could be considered more critical than Phase 2 for this transmission concern. As  
10 discussed in Ms. Ishikawa's testimony, HECO T-4, Phase 1 would improve the  
11 reliability to approximately 150 megawatts (MW) of Pukele Substation's total 192  
12 MW of electrical load, which includes Waikiki. Phase 2 would improve the  
13 reliability to Pukele Substation's remaining electrical load (approximately 42  
14 MW) not addressed by Phase 1.

15 Q. Are there other consequences with the extension of the completion dates?

16 A. Yes, with any project delay, costs will increase due to accumulating Allowance  
17 For Funds Used During Construction ("AFUDC"). This is discussed in Ms.  
18 Oshiro's testimony, HECO ST-9.

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20 SUMMARY

21 Q. Please summarize your testimony?

22 A. The overall project schedule for the 46kV Phased Project has been extended by  
23 approximately 6 months, after taking into account information with respect to the  
24 review and approval process for the project. The estimated completion date for  
25 Phase 1 of the 46kV Phased Project is mid-2007 and for Phase 2 it is early 2009.

1 The schedule submitted as part of the Application filed on December 18, 2003  
2 showed an estimated completion date for Phase 1 at the end of 2006 and for Phase  
3 2 an estimated completion date in late 2008. The extended completion date for  
4 Phase 1 extends the time that it will take to address the Pukele Reliability Concern  
5 and the Koolau/Pukele Overload Situation. Finally, any project delay will  
6 increase project costs due to accumulating Allowance For Funds Used During  
7 Construction.

8 Q. Does this conclude your testimony?

9 A. Yes, it does.

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